



Q U A R T E R L Y

UPDATE

S P R I N G , M A Y 2 0 0 3

TRAVEL & TOURISM

UPDATE IS

PUBLISHED BY THE

NORTH CAROLINA

DIVISION OF

TOURISM,

FILM AND SPORTS

DEVELOPMENT.

PLEASE SEND

COMMENTS

OR NEWS ITEMS

FOR POSSIBLE

PUBLICATION TO

THE TRAVEL UPDATE,

4324 MAIL SERVICE

CENTER, RALEIGH, NC

27699-4324 PHONE:

(919) 733-4171

FAX: (919) 733-8582

WELCOME CENTER NEWS

NEW INTERACTIVE KIOSK PROGRAM FOR NC WELCOME CENTERS

The Division of Tourism, in partnership with the Department of Transportation, has developed a program to provide interactive touch screen kiosks for the North Carolina Welcome Centers. Technology Portals Incorporated (TPI) has been awarded the contract to provide these kiosks for the state's nine interstate welcome centers (including the new I-26 West location in Madison County), plus two locations to be specified by the North Carolina Department of Transportation (DOT).

The graphically dynamic kiosks will provide free comprehensive travel information. Travelers can quickly access data on accommodations, attractions, events, outdoor recreation, food and service area locations, mapping and drive times. Real-time weather, highway and traffic conditions will also be provided on the touch screen. All listings in the statewide tourism database will be available to the public.

The kiosks are a unique opportunity for the tourism industry to market



properties, services, events and attractions to travelers. The program will be self-supporting through revenues generated by tourism industry enhanced listings.

TPI is a turnkey program providing all graphics for enhanced listings and banner ads. Video advertising will also be available.



New I-26 Welcome Center

For detailed information, or to find out how to participate, contact Stephanie Miller at TPI at 1-877-423-2500 (toll-free), or via email at smiller@technologyport.com.

ECONOMIC DEVELOPMENT BOARD UPDATE

The Economic Development Board, comprised of some of the state's premier leaders from the business, education, tourism and workforce communities around the state, serves as the state's top economic development policy advisory body and is responsible for recommending economic development policy to the Governor. To help develop a strategic plan, the Economic Development Board established seven committees and assigned various members to work with the North Carolina Department of Commerce staff and others to implement a strategic plan. One of the seven committees is the Tourism, Film, Sports, Arts and Cultural Resources Committee.

Members of the Tourism Committee include committee chair, Bob Winston, CEO Winston



Bob Winston

Hotels, Inc.; Pat Corso, President/CEO Pinehurst Resort & Country Club; and Representative Wilma Sherrill from the 116th legislative district. This committee is specifically charged with making recommendations and helping

to shape legislation that affects tourism, film, sports, cultural resources and the arts.

According to the strategic plan, the tourism committee is charged with focusing primarily on two key goals during 2003-04 fiscal year.

- Working to maximize state dollars invested in marketing the state.
- Working to provide better research capabilities specifically for tourism, film, sports, cultural resources, and the arts.

"These industry sectors continue to generate impressive revenues for North Carolina – particularly at a time when we need it most. I look forward to working with other leaders from across the state in addressing these needs," said committee chair Bob Winston.

More information, including the Economic Development Board's entire strategic plan, a list of all committees and members, as well as an update on progress throughout the year can be found at www.nccommerce.com/econbrd.



MESSAGE FROM THE EXECUTIVE DIRECTOR

NC TOURISM REMAINS STRONG

by: Lynn Minges, Executive Director

Today, the tourism industry faces challenges of an enormous scope. Political unrest overseas and war in the Middle East have threatened travel. Airlines remain in dire financial straits and consumer confidence is wavering. Further, the recent budget crunch has forced us to revisit our operating budget for the upcoming year. But despite all of these challenges, tourism in North Carolina continues to prosper.



This was the central message at the 2003 Governor's Conference on Tourism. Travel-related expenditures have remained steady, supporting an impressive number of tourism-

related jobs in communities throughout the state. And, most impressively, tourism revenue continues to contribute positively to state and local tax coffers at a time when it is needed most.

Our tourism product, rich with diversity, remains strong and highly marketable. Collectively, we have done an outstanding job of positioning our product in the marketplace and leveraging marketing resources. Our public relations efforts have generated over \$17 million in media exposure, and we are looking forward to continued success with our "Discover the State You're In" campaign designed to generate in-state travel.

Our Heritage Tourism program continues to grow and our development officers, working with local, regional, and non-profit organizations, have generated over \$1 million in grant revenue. These funds have been targeted to help develop new and unique travel product to enhance the visitor experience. Many new heritage trails have been developed and are now in the marketplace, and the new Civil War Trail project is expected to draw millions of new visitors to our state.

Today, we enjoy unprecedented support from policy makers and elected officials.

This was especially evident recently as we hosted Tourism Day in conjunction with the NC Travel Council to help the legislature, state government, North Carolina residents and the media to better understand the contributions of the tourism industry.

We appreciate your support in promoting our state, and we thank you for all you do to make North Carolina a better place to be. There is no doubt that the strength of our industry will serve as a catalyst for better things to come!

A handwritten signature in cursive script, reading "Lynn D. Minges".

Lynn D. Minges, Executive Director

**NCACVB 03-04
Planning Session,
April 1, 2003,
Chapel Hill.
Lynn Minges,
Executive Director,
North Carolina
Division of Tourism,
was in attendance
along with
other members.**



"DISCOVER THE STATE" PROGRAM GENERATES OVER \$1 MILLION WITH STATEWIDE BROADCASTERS

Member television and radio stations of the NC Broadcasters Association aired the new "Discover the State You're In" spots 21,710 times in 2002, generating \$1,040,619 in publicity value. The multifaceted campaign kicked off shortly after Sept. 11, 2001, to encourage NC residents to travel within the state. To date, the NC Press Association has generated over \$2 million in statewide newspapers and the NC Outdoor Advertisers have donated over \$1 million in billboard space across the state featuring the same message. The entire campaign has generated over \$4 million in publicity value.

PUBLIC RELATIONS NEWS

This year promises to be an active one for the Division of Tourism's public relations team. There are 30 travel writers scheduled to visit North Carolina in the first six months of the year. These journalists will visit all three regions of the state, and come from the United Kingdom, Canada, Germany and France.

In addition to those travel writers, the Division is working with the Golf Marketing Alliance to plan the third annual NC Golf Media Cup. This year's event will include 20 journalists from around the world to play some of the state's most attractive and challenging golf courses. Last year's Media Cup generated over \$600,000 in coverage in less than one year, and it is anticipated that this year's Media Cup will be just as successful.

The early part of this year also saw significant editorial placement. Tracking of domestic editorial coverage showed that North Carolina generated over \$4.5 million across the nation. Additionally, almost \$750,000 in editorial coverage was documented in international markets. This type of positive coverage extends the Division's advertising dollars and helps the Division reach large audiences around the world.

Finally, the Division has produced a new economic impact video through a partnership with UNC-TV. This video, entitled *Tourism Works for North Carolina*, highlights the contribution the industry makes to the state's economy.

TIPS FOR DEALING WITH THE MEDIA DURING A CRISIS

The Division's Public Relations Department has posted on its website tips for dealing with the media during a crisis. The two-page fact sheet lists several important notes in disseminating information to reporters, including the following:

- **Coordinate Press Coverage.** A central office should always be aware of what information is being released.
- **Shoot Straight.** Whether you have good news or bad, let the media know what is happening.
- **Never Speculate.** Release only the information you know is accurate.
- **Stay Calm.** The more calm you appear, the quicker people will realize that everything is under control.

Since television, radio and newspaper reporters are not always looking for the same information, the two-page fact sheet offers different tips for relating to all three. It also includes general guidelines for how to coordinate press coverage and disperse crisis information to reporters. The fact sheet can be found at www.nccommerce.com/tourism/pubrelations/dwm.pdf.

SALES AND TRADE DEVELOPMENT NEWS

CANADIAN SALES MISSION FOCUSES ON HANDS-ON VACATIONS

"Hands-on" vacations are the latest travel trend, and North Carolina is a leader in creating these experiences. This was the message delivered by Division of Tourism Director of Trade and Sales Development Mikie Wall



Participants of the recent Canadian Sales Mission dressed to represent places and events as they entertained media and tour operators in Toronto.

to the Canadian market by the North Carolina delegates during the Canadian Sales Mission held February 24-27.

The mission yielded a total of 15 sales calls to major Canadian tour operators and five media appointments, including an appearance on CITY-TV's "Breakfast Television" and a radio interview. As part of the event, the North

Carolina Association of Convention & Visitors Bureaus sponsored a "North Carolina Shindig" that invited over 30 key media and tour operators to mingle with costumed delegates and view several tabletop displays.

As a side note, Statistics Canada reported that travel by car increased in 2002, as well as the distance Canadians are willing to drive to reach their vacation destination. This positions North Carolina favorably as a travel destination, as it is approximately 14 hours by car from the Toronto/Ottawa/Montreal area. It was also reported that 366,500 Canadians visited North Carolina in 2001.



Seagrove potter, Phil Morgan, demonstrated his craft at a media and tour operator luncheon in Toronto.

DIVISION HAS SUCCESSFUL FRENCH SALES MISSION

In Paris, Division representatives Lynn Minges and Chris Mackey joined Express Conseil, the Division's French marketing representative, to host tour operators, airline representatives and travel writers from the surrounding area where they finalized plans for upcoming familiarization tours during the year and discussed various events, including First Flight. The hosting events generated immediate results as several writers announced plans to visit North Carolina in the near future. Despite the anti-war sentiment across Europe, both tour operators and journalists were interested in featuring the state as a travel destination in their brochures and news articles.

Division representatives also had an opportunity to meet with US Airways officials to discuss French traveling prospects to North Carolina. During this meeting, US Airways representatives said that despite the loss of the daily Paris-Charlotte flight in 2001, the number of French travelers to North Carolina actually increased in 2002 in some areas. The number of French arrivals by all airlines was up 46 percent in Raleigh, 190 percent in Wilmington, 1000 percent in Asheville, but down 31 percent in Charlotte. US Airways is adding a second daily flight from Paris to Philadelphia.

GROUP TRAVEL SHOWS BRING PROMISE OF NEW BUSINESS

The Division attended the American Bus Association Convention in Indianapolis, IN, February 2-6, meeting with U.S. and Canadian tour operators. Prescheduled and on-site appointments generated 37 tour operator and media leads, with 24 companies identified as bringing tours to North Carolina. Division representatives also attended Travel South Showcase in Savannah, GA, February 15-19. From this show, they produced 36 leads with 23 companies identified as currently bringing groups to North Carolina. All lead information is available on the Commerce web site at www.nccommerce.com. For further information, contact Mikie Wall, Director of Sales and Trade Development, at mwall@nccommerce.com, or 919-733-7413.

DIVISION SUCCESS CONTINUES AT INTERNATIONAL TRAVEL EXCHANGE

Lynn Minges and Chris Mackey attended the International Travel Exchange (ITB) in Berlin, Germany, from March 7-11. While staffing a booth in the "See America" pavilion, Division representatives handled over 40 appointments from tour operators, airline representatives, journalists and travel agents. They also formed several integral partnerships with US Airways from Germany including seats for familiarization tours, participation in upcoming sales calls in Germany and several First Flight media trips.

ITB is the largest travel trade show in the world with over 10,000 exhibitors. Now in its third decade, ITB brings together exhibitors and over 65,000 industry representatives. Additionally, over 58,000 consumers visit the four-day show. Leads from this and other events will be posted on the Division website at www.commerce.com/tourism.



Lynn Minges and Chris Mackey met with Uli Ulmann, the Division's public relations rep in Germany, at ITB in Berlin

\$1.1 MILLION RAISED BY HERITAGE PROGRAM

The Division's Heritage Tourism Program Development Officers have been very successful in raising much needed development dollars for projects in their assigned areas. Over the past year, they have worked with local heritage tourism organizations to submit \$1.1 million in successful grant applications.

Funding was received from a broad spectrum of sources, including federal, state, corporate and private foundations. Tourism projects that will benefit from these funds include land acquisition, nature trails, interpretive programming, visioning workshops, museum planning, burying of utilities along main streets and the construction of a replica boat. Development officers are busy assisting with proposals for the current grant cycles.

The Heritage Program also assisted local organizations in raising an additional \$366,000 through corporate sponsorships, direct mail campaigns and fund-raising events. The identification of alternative funding sources for tourism development has become increasingly important since the Rural Tourism and Matching Funds for Marketing grant programs previously administered by the Division remain unfunded.

GOV. EASLEY DELIVERS 2002 FIGURES AT GOVERNOR'S CONFERENCE

Gov. Mike Easley presented the 2002 economic impact figures to the 450 attendees of the North Carolina Governor's Conference on Tourism, held at Sunset Beach, NC, in April. During the conference's Tourism Industry Luncheon, Gov. Easley announced that North Carolina remained the sixth most-visited state in the country in 2002, posting an increase in expenditures and visitor volume ahead of national averages.

"Few industries in the nation have faced greater obstacles than the tourism industry and yet North Carolina's remains strong, attracting over 44.4 million visitors in 2002," said Easley. "Tourism in North Carolina generated almost \$12 billion dollars in revenue last year, and contributed over \$1 billion in state and local taxes when we need it most."

Highlights of the economic impact figures include:

- While the national average among states saw a slight increase in tourism volume of less than one percent (0.3 percent), North Carolina saw an increase in volume of more than 3 percent, from 43 million to more than 44.4 million.

- 2002 total domestic expenditures saw an increase of 0.6 percent to \$11,986,000,000 up from \$11,909,000,000 in 2001, while national figures show a decrease of -1.7 percent.



Governor Easley talks with Secretary Fain at the Governor's conference.

- The number of visitors that drove increased to 84 percent in 2002, up from 78 percent in 2001.
- The tourism industry generated a total of more than \$2.2 billion in tax revenues, with \$1.1 billion in federal taxes and \$1.1 billion in state and local tax revenues.
- \$687 million through state sales and excise taxes and taxes on personal and corporate income.

\$399 million in local taxes was generated from sales and property tax revenue from travel supported businesses.

NEWS FROM THE FILM OFFICE

NC FILM OFFICE SPONSORS AMERICAN FILM MARKET

North Carolina Film Office staffers were in Santa Monica, CA, in February to participate in the 2003 American Film Market (AFM) – the largest motion picture trade event in the world. For a fifth consecutive year, North Carolina was the only North American film commission granted exclusive sponsorship status at this prestigious annual event. According to AFM organizers, hundreds of films were financed, packaged, licensed and green-lit for production, accounting for an estimated \$500 million in business deals for both completed films and those in preparation.

"DAWSON'S CREEK" FINAL EPISODE TO AIR MAY 14

The WB Network's popular Wilmington-based teen drama "Dawson's Creek" is ending its wildly successful six-year run with a special two-hour final episode scheduled to air on May 14. "Dawson's Creek" has bolstered the Wilmington film industry and the local economy in recent years, while foreign competition and incentives have been drawing other productions away from North Carolina.

The series, which employs a full-time local crew of 100 technicians, has accounted for over \$120 million spent in the state over the past six years, according to Film Office Director Bill Arnold. "And it has kept Wilmington in the headlines, within the industry, for the past six years," added Wilmington Regional Film Commission Director Johnny Griffin.

VISITNC.COM NEWS

DINING, MEETINGS, CONVENTIONS AND GROUP TOURS NOW FEATURED ON VISITNC.COM

In an effort to expand online communication to its constituents, the Division has added several new features to the regional home pages at www.visitnc.com. The restaurant industry has helped to supply data for a brand new major search category titled, "Where to Dine."

Further, in response to feedback from the tourism industry, the Division's Extranet database has been expanded to include information categories for group tours and meetings. The information entered under these categories and updated by the Division's county contacts is used to populate the website's new online meeting and convention planner and group tour guide.

The addition of these new segments is part of a plan to complete a section of visitnc.com devoted to tourism industry professionals such as the media, meeting planners and group tour marketers. If you have any questions about the website or the Extranet, contact the Division's database coordinator, Joey Ennis, at 919-733-7484 or at jennis@nccommerce.com.

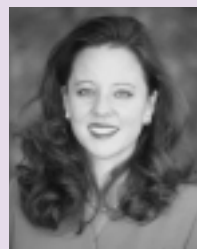
DIVISION WELCOMES NEW STAFF

Sherrill Normann Jr. has joined the Division as the new Community Development Director. He will manage the Division's grant programs and supervise grant research operations. A native of Snow Hill, NC, and a graduate of East Carolina University, Sherrill has solid experience in business management and fund administration.



Sherrill Normann, Jr.

He can be reached at 919-733-7501, or by email at snormann@nccommerce.com.



Kumi Anzalone

Kumi Anzalone, the Division's new Sales and Trade Manager, will work with Mikie Wall in both international and domestic markets. A native of California, Kumi has extensive experience in sales development and recently spent four years as a director of sales for the Hampton Inn on Spring Forest Road in Raleigh. She can be reached at 919-733-7430, or via email at kanzalone@nccommerce.com.

SCOTT GILMORE RETURNS TO LKM TO SUPERVISE NC TOURISM ACCOUNT

Scott Gilmore has returned to Loeffler Ketchum Mountjoy (LKM) in the position of Vice President and will serve as the senior account representative on the Division's account. He will supervise and direct the LKM team responsible for the Division's marketing communications programs.



Scott Gilmore

A graduate of the University of Alabama, Scott began his relationship with NC's tourism industry in 1994 as account supervisor on the North Carolina travel account. In January 2000, Scott left LKM for Fahlgren Benito Advertising in Tampa to direct the agency's work for Florida's public-private tourism marketing organization, Visit Florida, as well as other clients. We look forward to working with him in North Carolina again!

2003 CALENDAR OF MEETINGS AND SPECIAL EVENTS

EVENT	DATE	LOCATION
MAY 2003		
National Tourism Week	10-18	Various Locations
National Traveler's Appreciation Day	10	Various Locations
NC Tourism Day	13	Raleigh, NC
International Pow Wow	17-21	St. Louis, MO
Meeting Professionals International – Carolinas Chapter	28-29	Hilton Head, SC
JUNE 2003		
NC Golf Marketing Alliance	4	Charlotte, NC
NCACVB	5-6	Charlotte, NC
JULY 2003		
Meeting Professionals International – Carolinas Chapter	10-11	Greenville, SC
AUGUST 2003		
STS Marketing College	3-8	Dahlongea, GA
NCACVB	7-8	TBA
ESTO Conference	23-36	Asheville, NC
American Society of Association Executives	23-26	Honolulu, HI
SEPTEMBER 2003		
Travel Media Showcase	2-5	Chicago, IL
HSMAI's Affordable Meetings	3-4	Washington, DC
STS Annual Meeting	4-6	Roanoke, VA
Meeting Professionals International – Carolinas Chapter	11-12	Charlotte, NC
Mid-Year Marketing Update	12	Raleigh, NC
OCTOBER 2003		
NCACVB	2-3	TBA
Cycle North Carolina	4-11	Boone to Oak Island
TIA'S Marketing Outlook Forum	20-22	Austin, TX
NOVEMBER 2003		
Ontario Motorcoach Association	2-5	Toronto, Canada
International Golf Show Travel Council of NC	6-9	Toronto, Canada
Tourism Leadership Conference	10-12	Winston-Salem, NC
World Travel Market	10-13	London, England
Meeting Professionals International – Carolinas Chapter	13-14	Fayetteville, NC
Fall & Travel Leisure Show	14-16	Toronto, Canada
NTA's Annual Convention	14-19	Charlotte, NC
DECEMBER 2003		
NCACVB	4-5	TBA
Association Executives of NC Trade Show	10-11	Raleigh, NC

NORTH CAROLINA TRAVEL TRACKER STATE SUMMARY 2002

The End of the Year Report for North Carolina's travel and tourism indicators reveal some positive signs that our state is more than holding its own in tourism markets. Here are some of the encouraging points indicated by the Year End Travel Tracker:

- Attendance at top attractions shows a significant increase (+6.4 percent).
- North Carolina's most popular attraction, the Blue Ridge Parkway, hosted a total of 15,325,705 visitors in 2002.
- The number of visitors to NC state parks has increased by 7.7 percent.
- The 1.3% increase in occupancy rates has raised North Carolina's national standing in this area from 37th place in 2001 all the way to 17th in 2002.
- Business travel was up 16.4% and leisure travel was up 0.3 percent.
- There were a total of 9,225,198 Welcome Center visitors during the year of 2002.

- The national percentage in airport enplanements decreased from 2001 to 2002 by 5.1 percent, whereas the percentage for North Carolina decreased by only 3.2 percent.

Categories	2002 Totals	2001 Totals	+/- Year
Top 25 NC Attractions	57,555,105	54,068,603	6.4%
Airport Deplanements	17,837,639	18,472,670	-3.4%
Airport Enplanements	17,860,074	18,455,129	-3.2%
Hotel/Motel Occupancy	54.9	54.2	1.3%
Average Daily Room Rate	\$63.52	\$65.04	-2.3%
Revenue Per Available Room	\$35.07	\$35.26	-0.5%
State Welcome Centers	9,225,198	9,473,475	-2.6%
Regional Visitor Centers	3,028,146	3,088,591	-2.0%
State Parks	13,626,588	12,655,239	7.7%
NC Historic Sites	No data	1,315,446	N/A

JOURNAL COMMUNICATIONS SELECTED AS TRAVEL GUIDE PUBLISHER

After reviewing several qualified proposals, the Division has selected Journal Communications as the publisher of the Official North Carolina Travel Guide for the next three years. Upon receiving confirmation of the contract award, Journal Communications Vice President/Travel Publishing Sybil Stewart announced that advertising rates for the guide would not increase for this year. Journal Communications has also proposed several improvements to the publication, including increased use of photography, use of a more environmentally friendly coating on the pages and extra opportunities for cross-promotion. For an updated publication schedule and new guidelines on Travel Guide listings, visit the Division's publication webpage at www.nccommerce.com/tourism/publications.



The North Carolina Division of Tourism, Film and Sports Development is committed to a high level of communication with the taxpayers of North Carolina, the North Carolina travel industry and related businesses, and the traveling public. We encourage you to share this publication with other members of your staff and community.

TRAVEL & TOURISM UPDATE
STATE OF NORTH CAROLINA
DEPARTMENT OF COMMERCE
DIVISION OF TOURISM,
FILM AND
SPORTS DEVELOPMENT
4324 MAIL SERVICE CENTER
RALEIGH, NC 27699-4324
WWW.VISITNC.COM

PRSR STD
US POSTAGE
PAID
RALEIGH, NC
PERMIT NO 1095